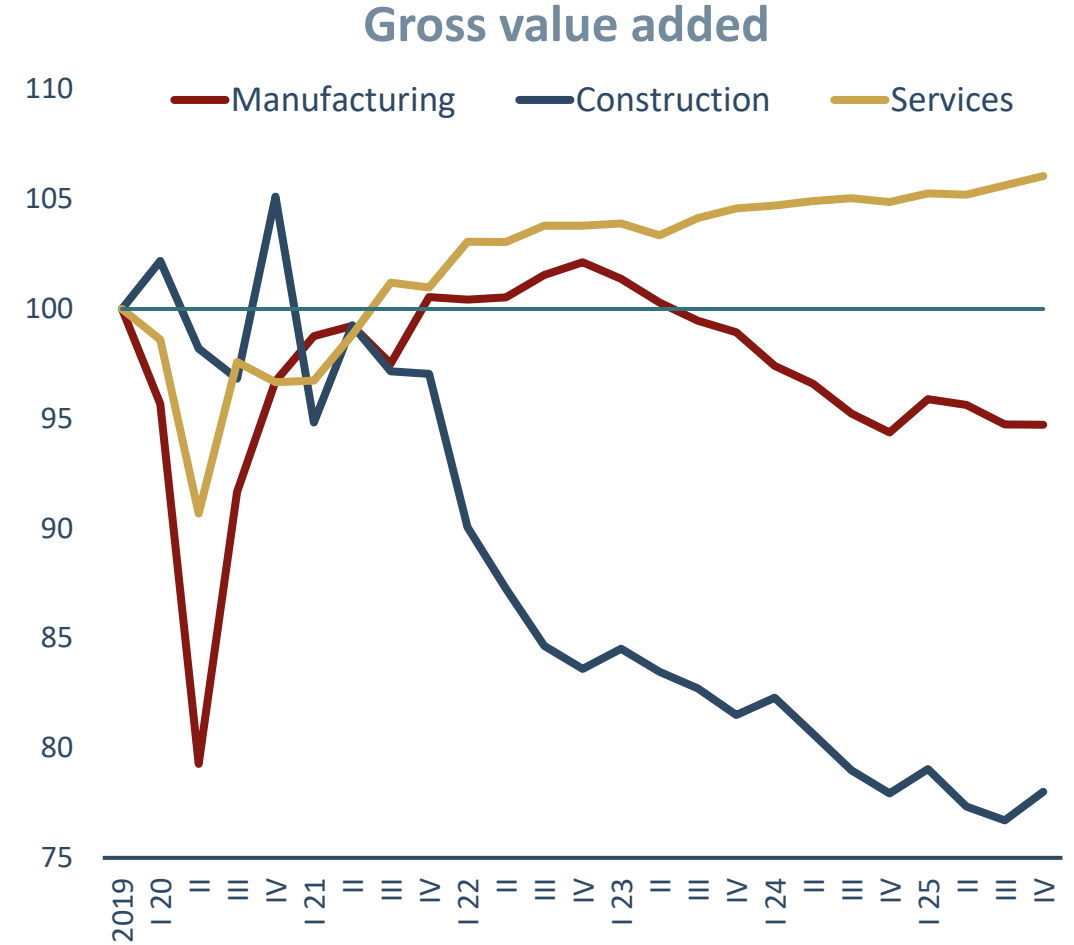
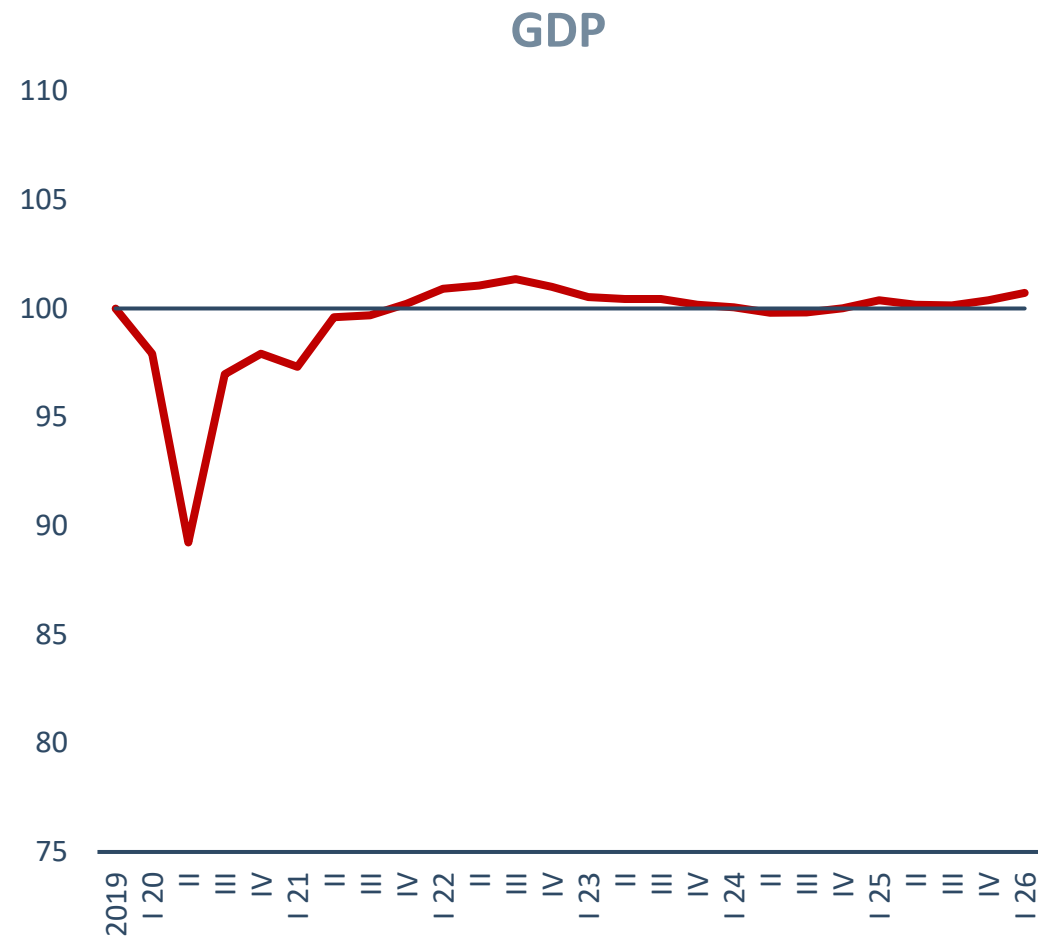


Ongoing stagnation in Germany

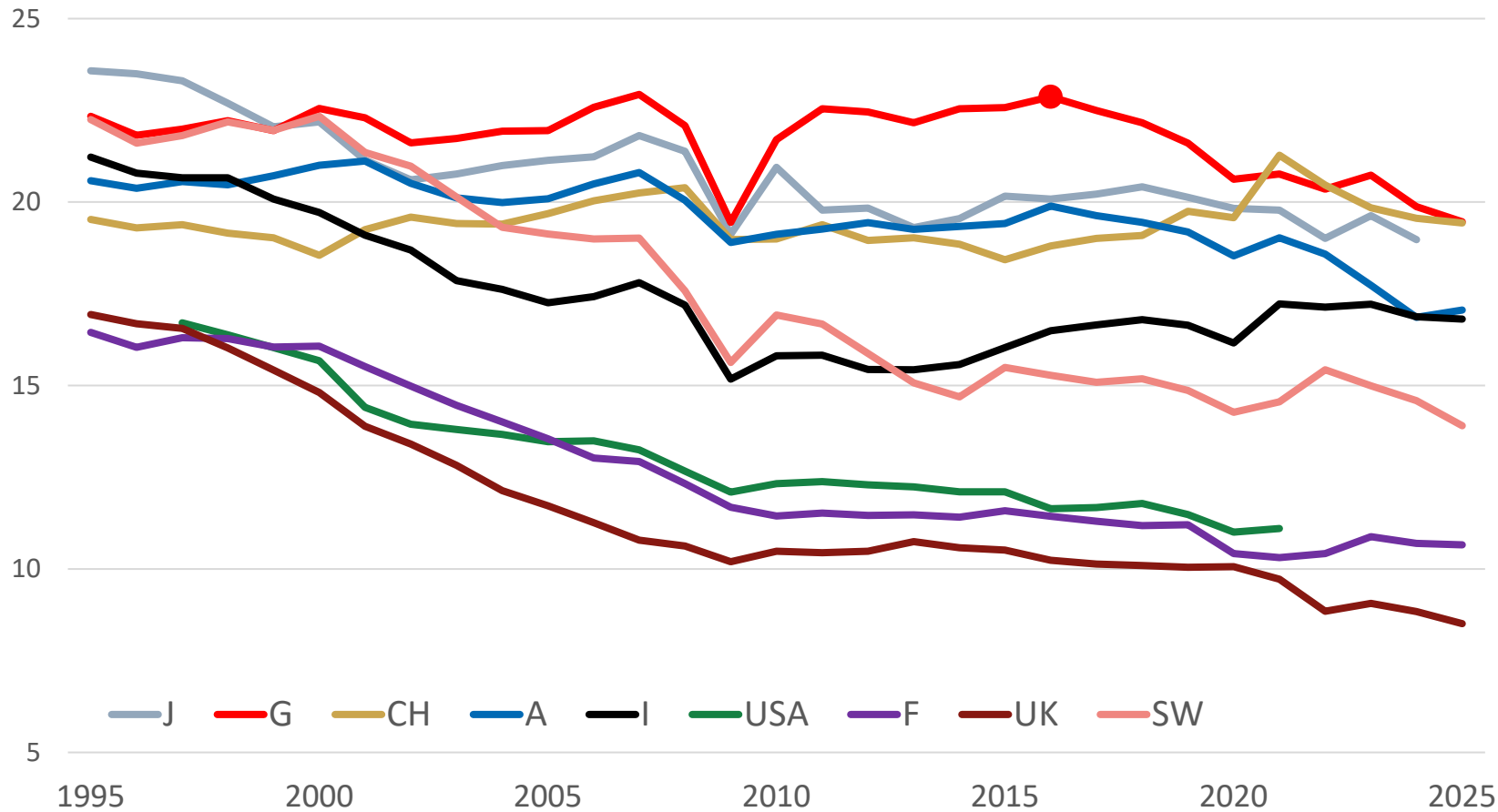
Price, seasonally and working day-adjusted values; index 2019 = 100



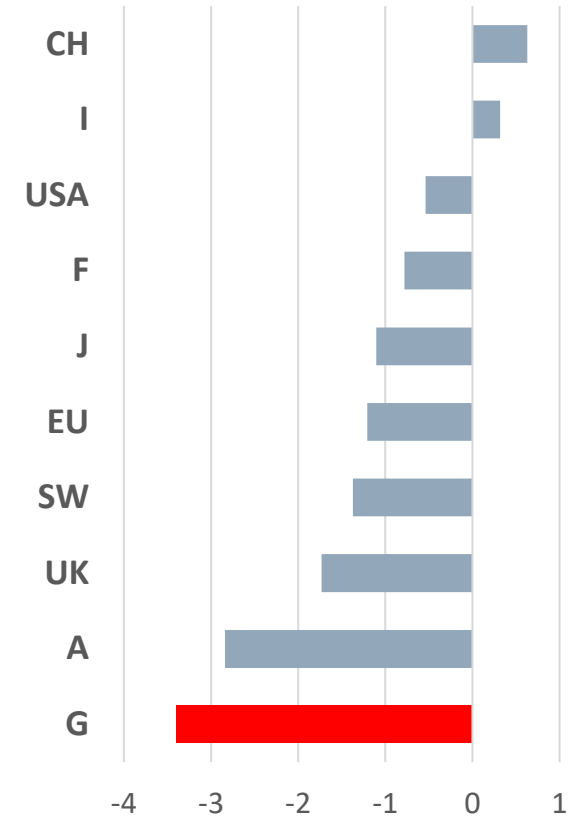
Sources: Statistisches Bundesamt; Institut der deutschen Wirtschaft

Manufacturing shares in international comparison

Manufacturing share of total gross value added in percent and change of the share from 2016 to 2024 in percentage points



Change 2016 - 2024



Sources: OECD; Institut der deutschen Wirtschaft

Cyclical and structural adjustment burdens

Acute cyclical shocks

World economy & geopolitics

Multiple uncertainties

Loss in competitiveness

Permanent structural shocks

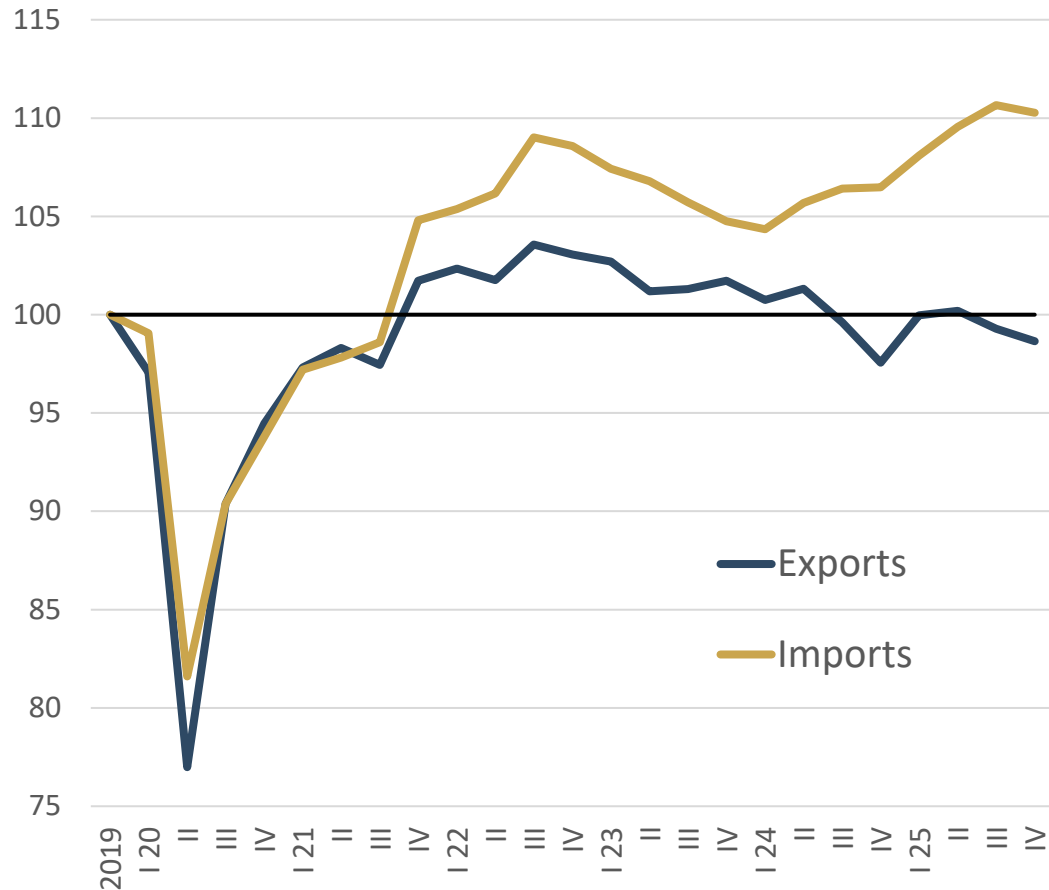
Geopolitical reorganization

Transformation & climate change

Locational quality & innovation

Germany's persistent export problems

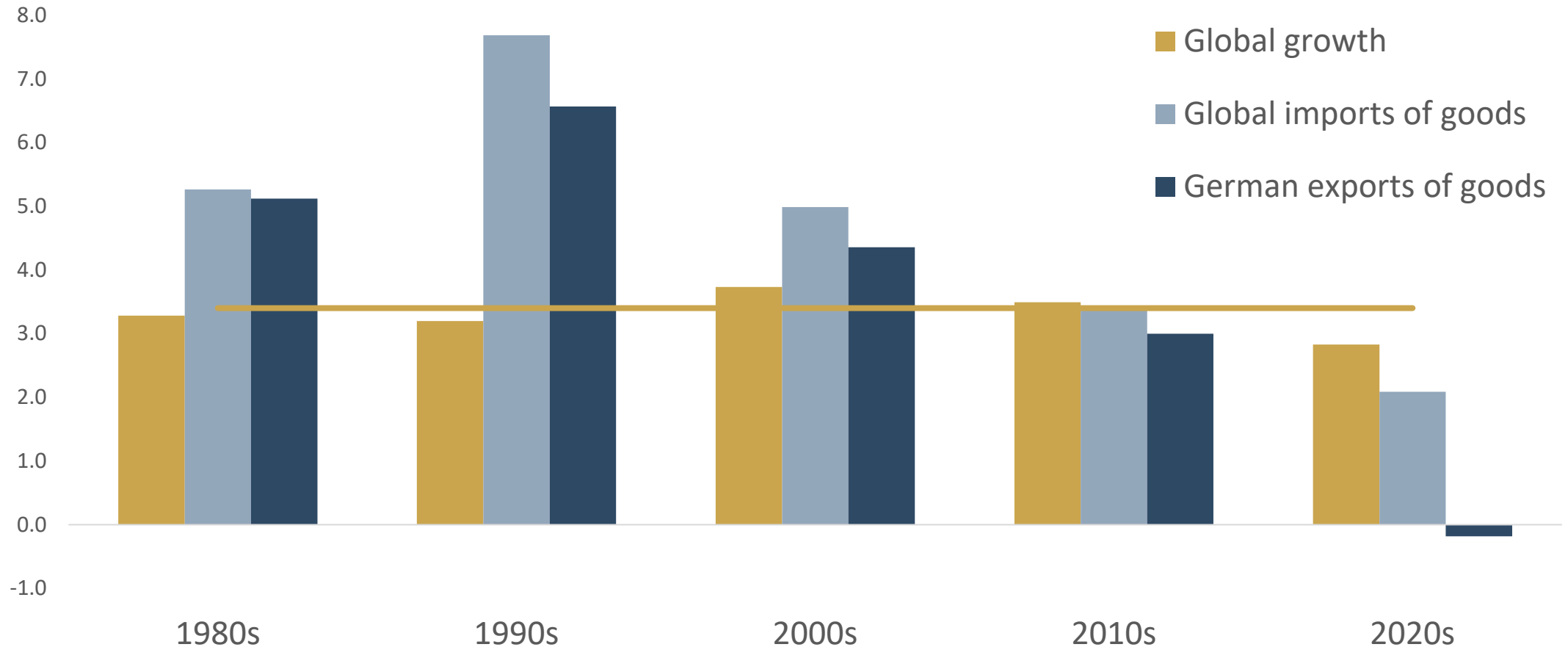
Price, seasonally and working day-adjusted values; index 2019 = 100



Sources: Statistisches Bundesamt; Institut der deutschen Wirtschaft

Decoupling German exports from global demand for goods

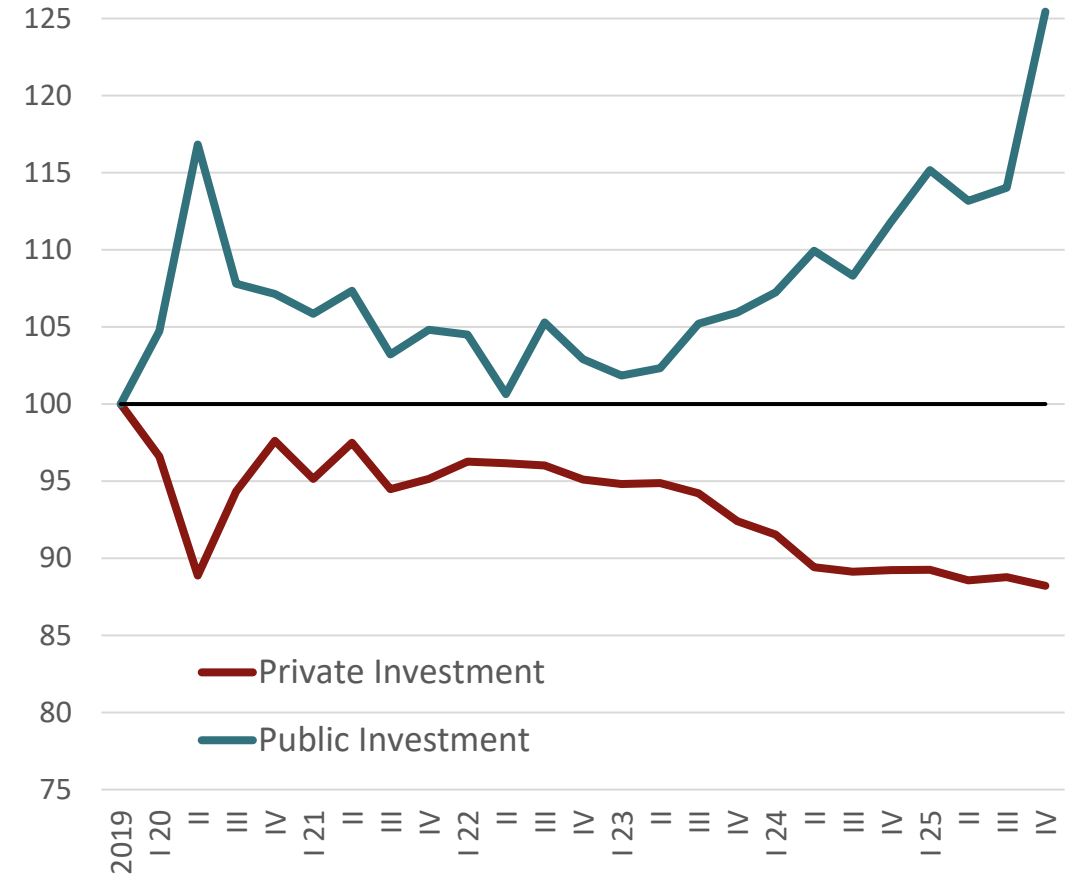
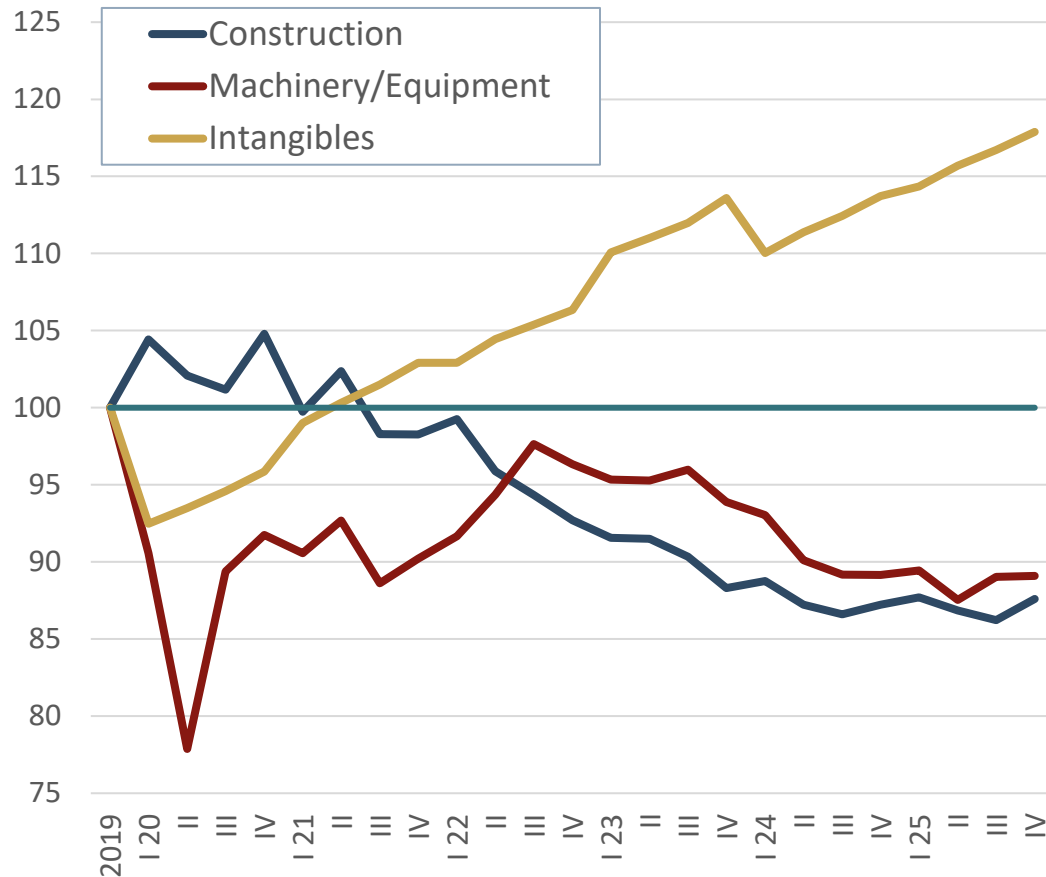
Annual average change in percent 1)



The 2010s excluding 2020 and the 2020s including 2020. The crisis in 2020 and the subsequent recovery in 2021 are assigned to a specific period (analogous to the years 2009 and 2010). 2020s: 2020 to 2024.
1) Global price-adjusted imports of goods and price-adjusted exports of goods from Germany. Sources: IMF; Grömling (2026)

Massive investment losses in Germany

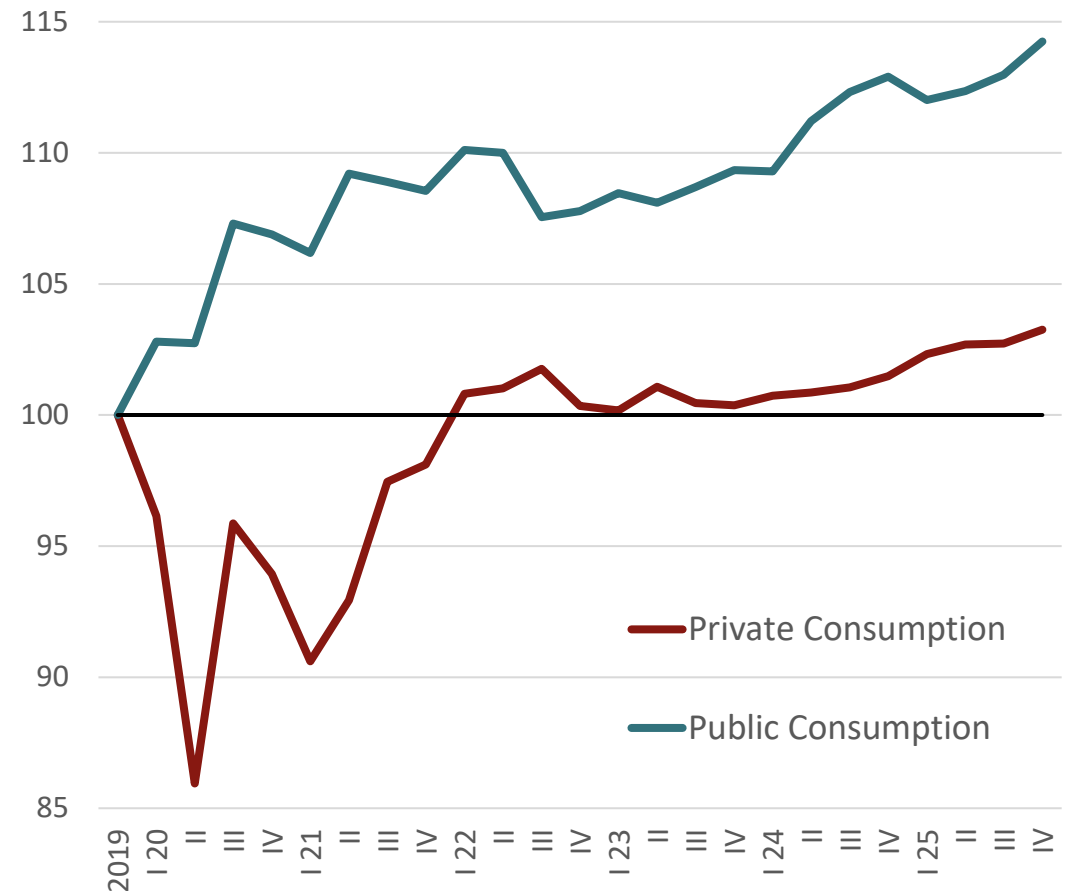
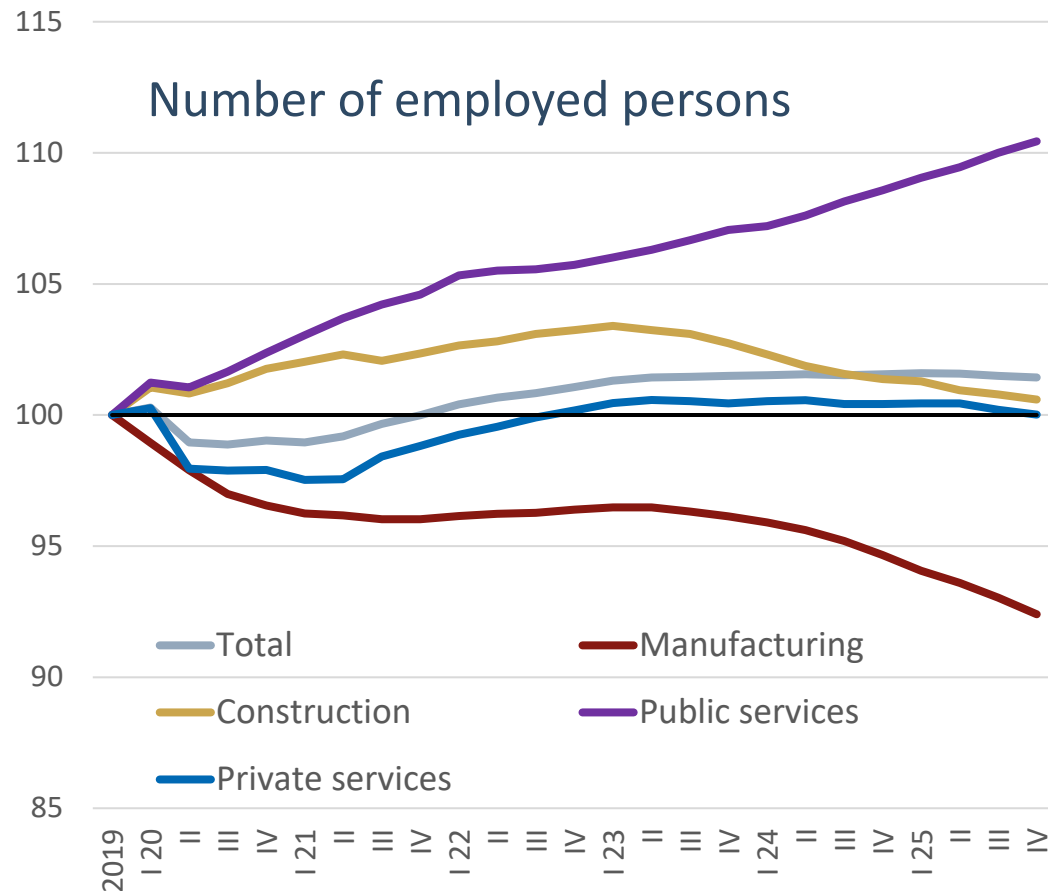
Price, seasonally and working day-adjusted values; index 2019 = 100



Sources: Statistisches Bundesamt; Institut der deutschen Wirtschaft

Stable labour market and and weak privat consumption

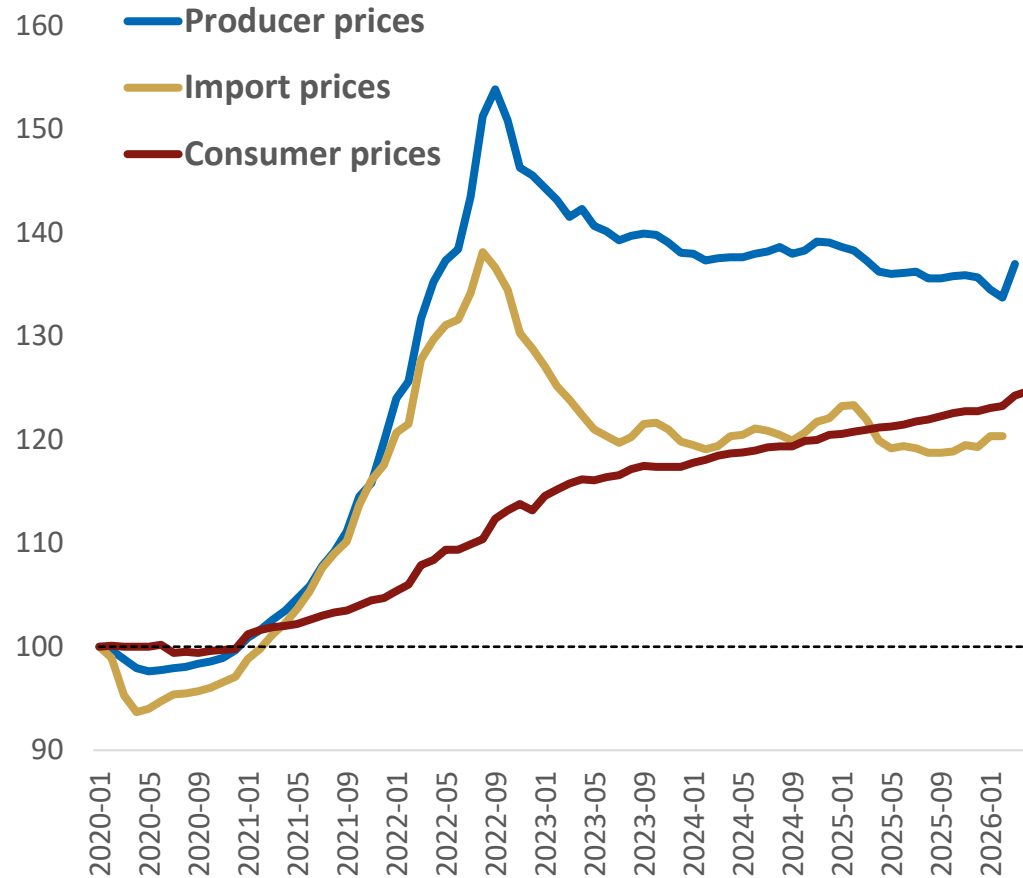
(Price) seasonally and working day-adjusted values; index 2019 = 100



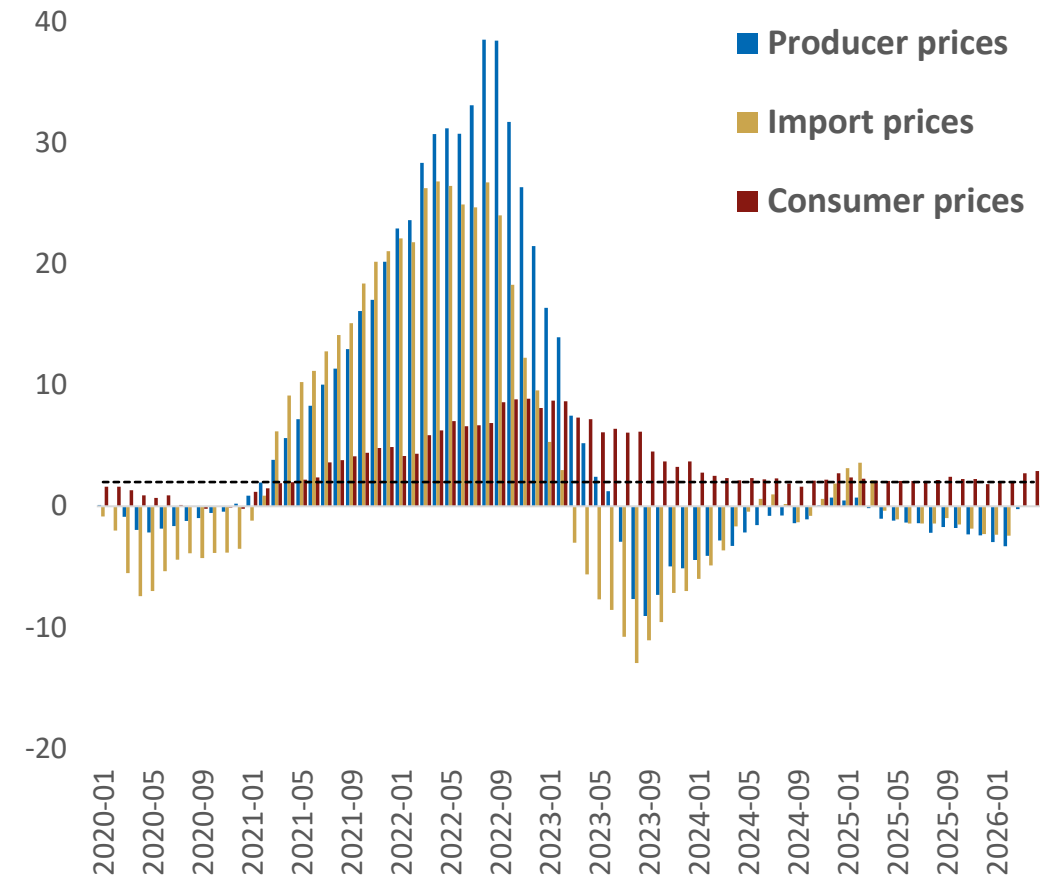
Sources: Statistisches Bundesamt; Institut der deutschen Wirtschaft

Price developments in Germany

Price index with base **Januar 2020 = 100**



Change compared to previous year in percent



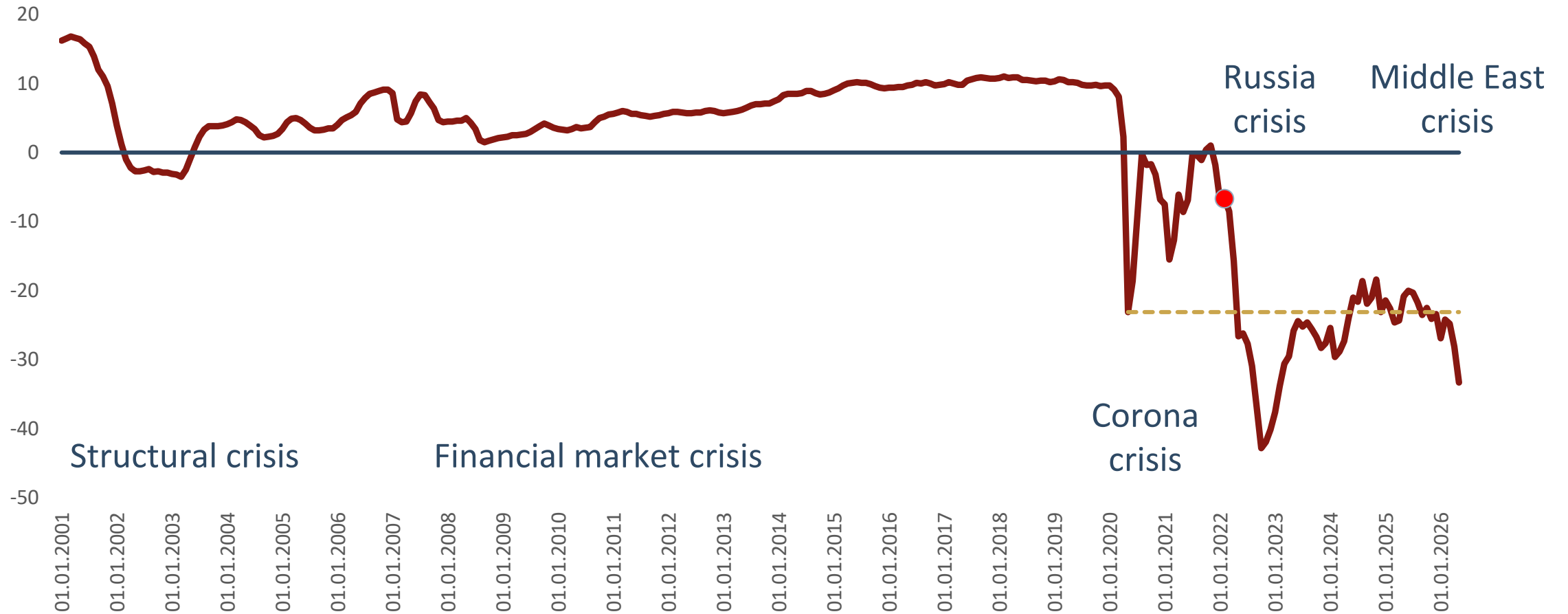
Sources: Deutsche Bundesbank; Institut der deutschen Wirtschaft

Effects of the Middle-East crisis on the German economy

	Transmission	Demand side
Price effects	<ul style="list-style-type: none"> • Energy • Intermediates/resources • Consumption goods 	<ul style="list-style-type: none"> • Consumption (privat/public) • Investment (privat/public) • Export (competitiveness)
Supply-chain effects	<ul style="list-style-type: none"> • Energy • Intermediates manufacturing/construction 	<ul style="list-style-type: none"> • Consumption (privat/public) • Investment (privat/public)
Trade effects	<ul style="list-style-type: none"> • Middle East countries • World economy • Transport 	<ul style="list-style-type: none"> • Export
Financial market effects	<ul style="list-style-type: none"> • Interest rates/risk premia • Volatility • Financial market stability 	<ul style="list-style-type: none"> • Consumption (privat/public) • Investment (privat/public)
Uncertainties	<ul style="list-style-type: none"> • Geopolitics • Economic policy 	<ul style="list-style-type: none"> • Consumption (privat) • Investment (privat)
Second round effects	<ul style="list-style-type: none"> • Labour costs • Government debt • Geopolitical fragmentation 	<ul style="list-style-type: none"> • Investment (privat)

Depressed consumer climate in Germany

GfK-Konsumklimaindex

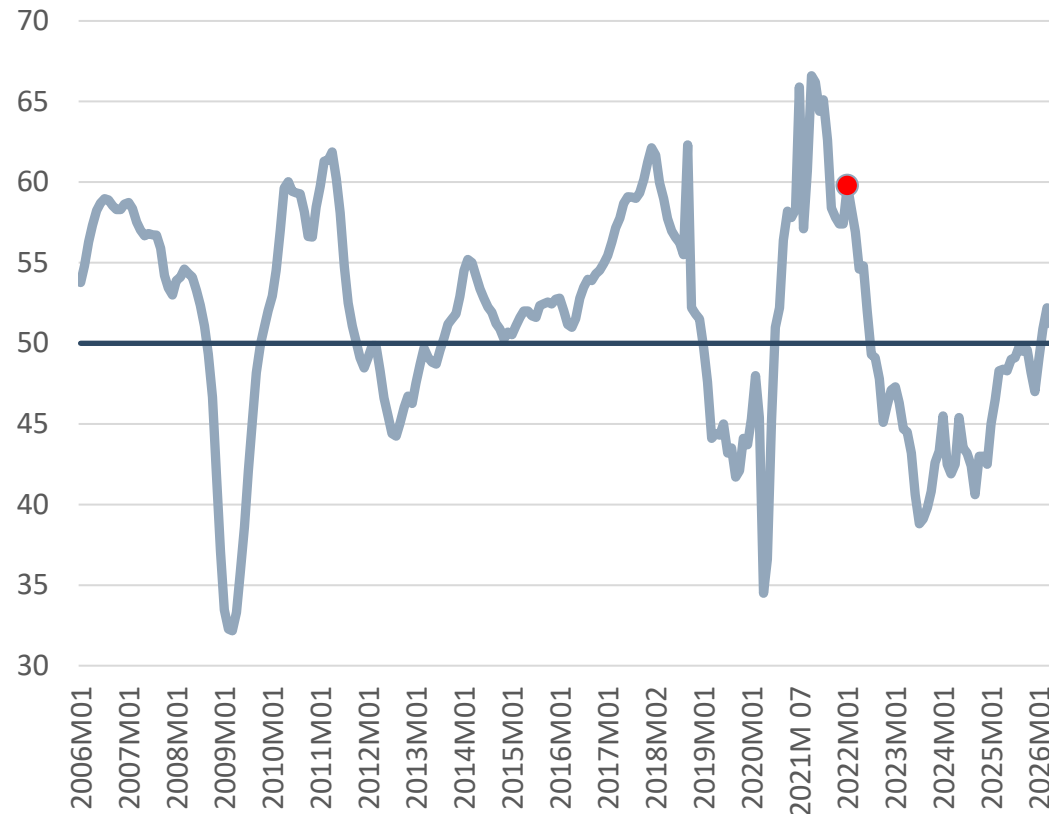


Sources: GfK; Institut der deutschen Wirtschaft

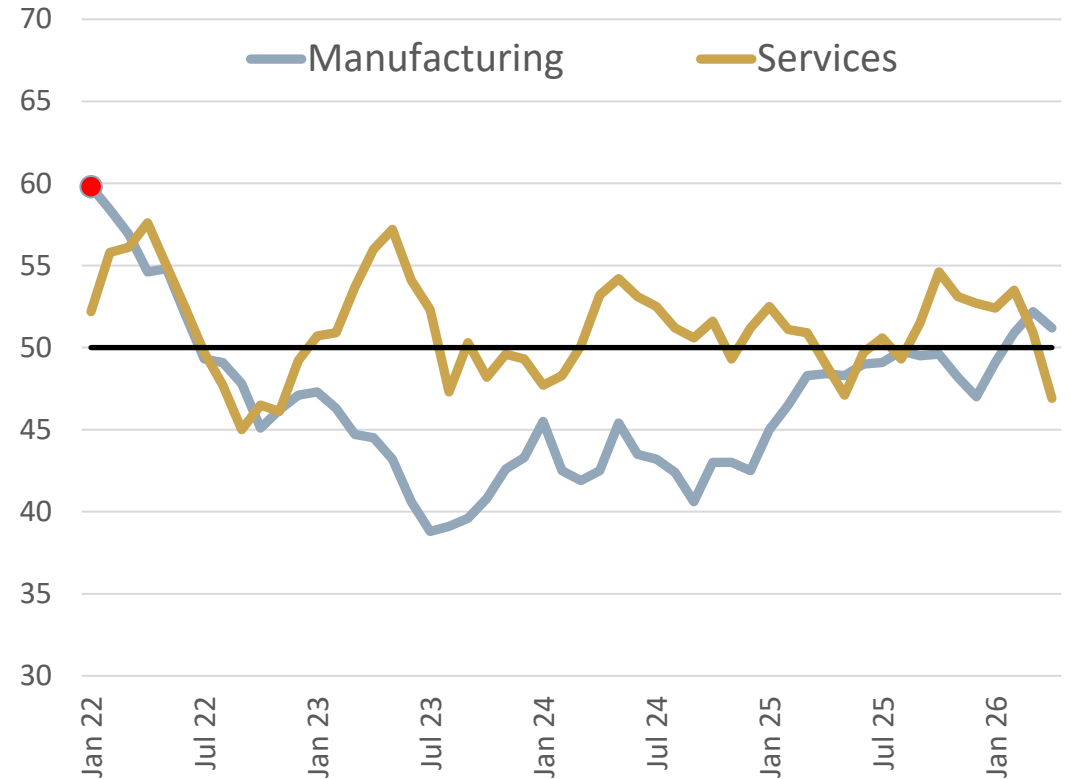
Purchasing manager index for Germany

Seasonal adjusted values: < 50 = contraction, > 50 = expansion

Manufacturing in the long run



Manufacturing and Services since 2022

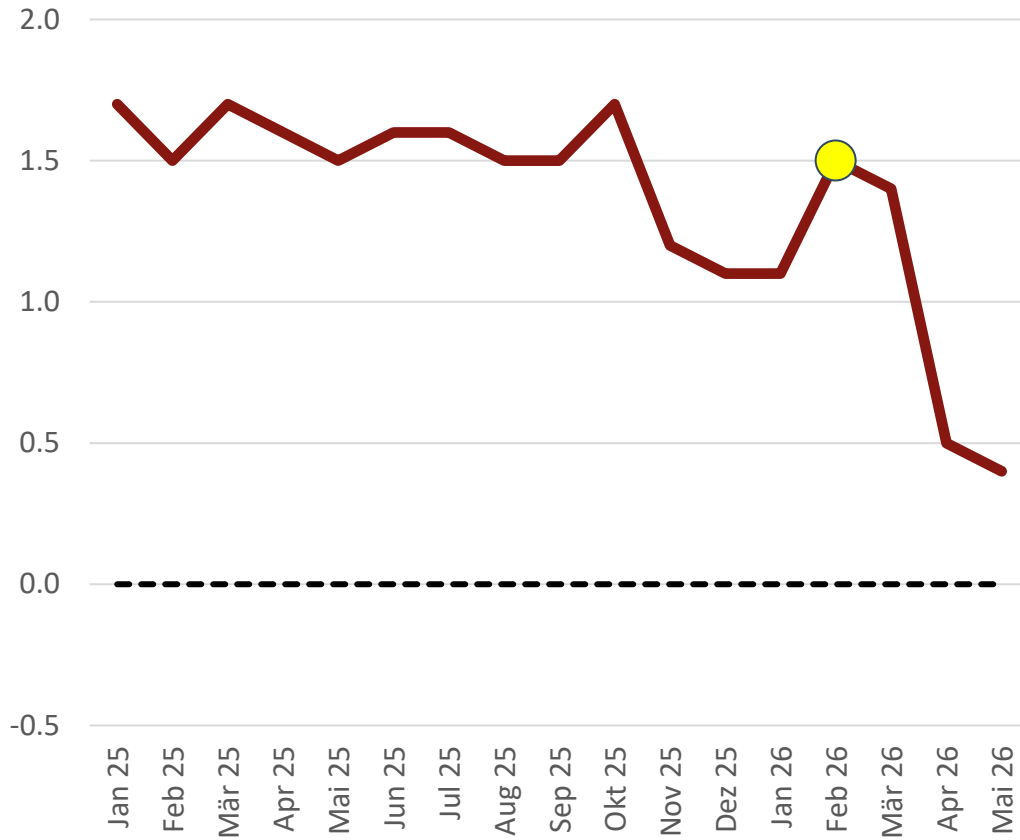


Sources: S&P Global; BME; Hamburg Commercial Bank; Institut der deutschen Wirtschaft

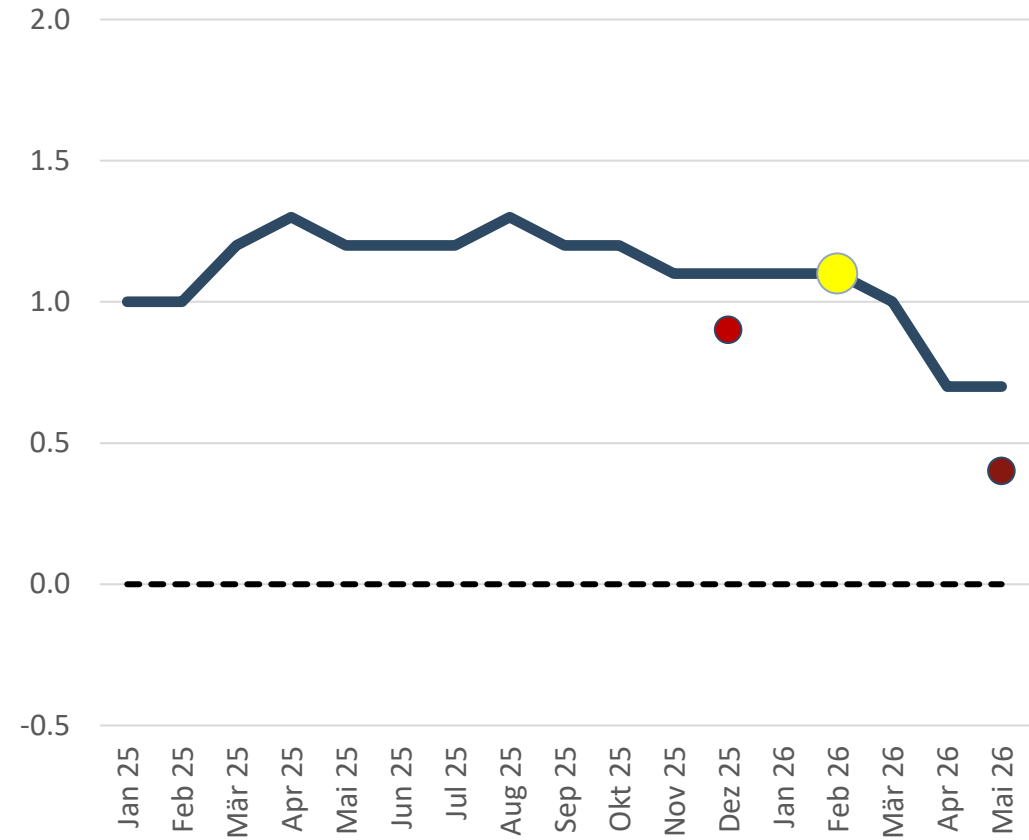
Forecasts for the German economy for 2026

Expected change of real GDP and manufacturing production in percent

Manufacturing production



GDP

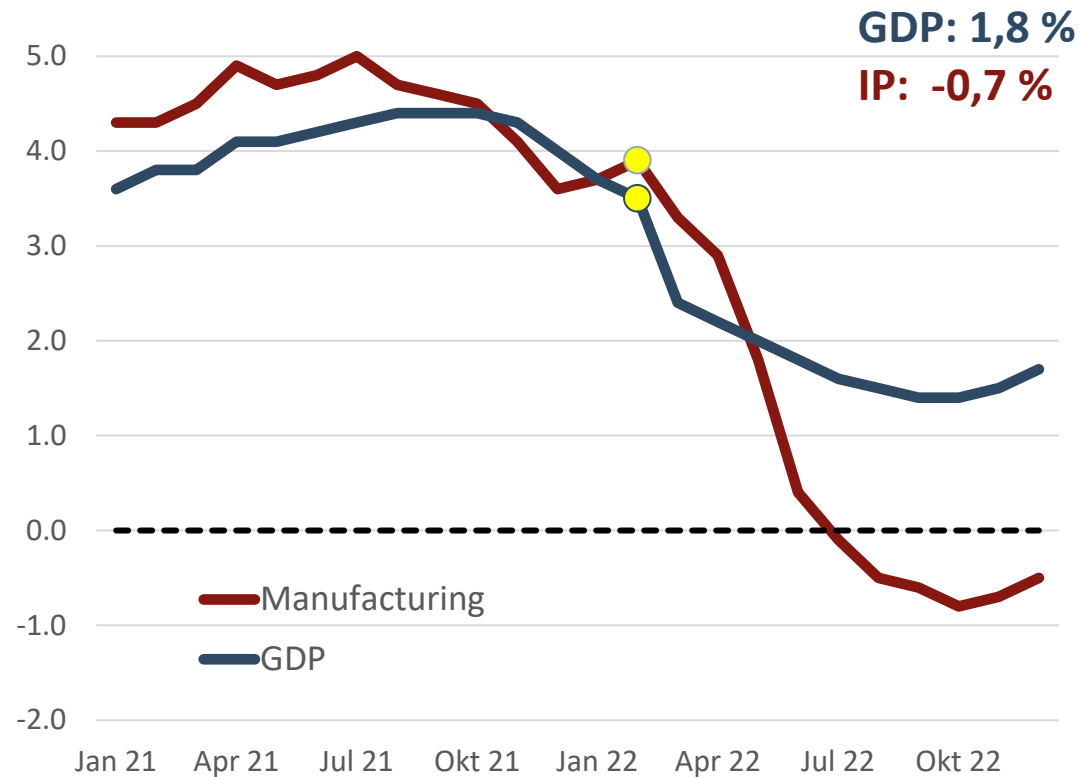


Source: Consensus Forecasts

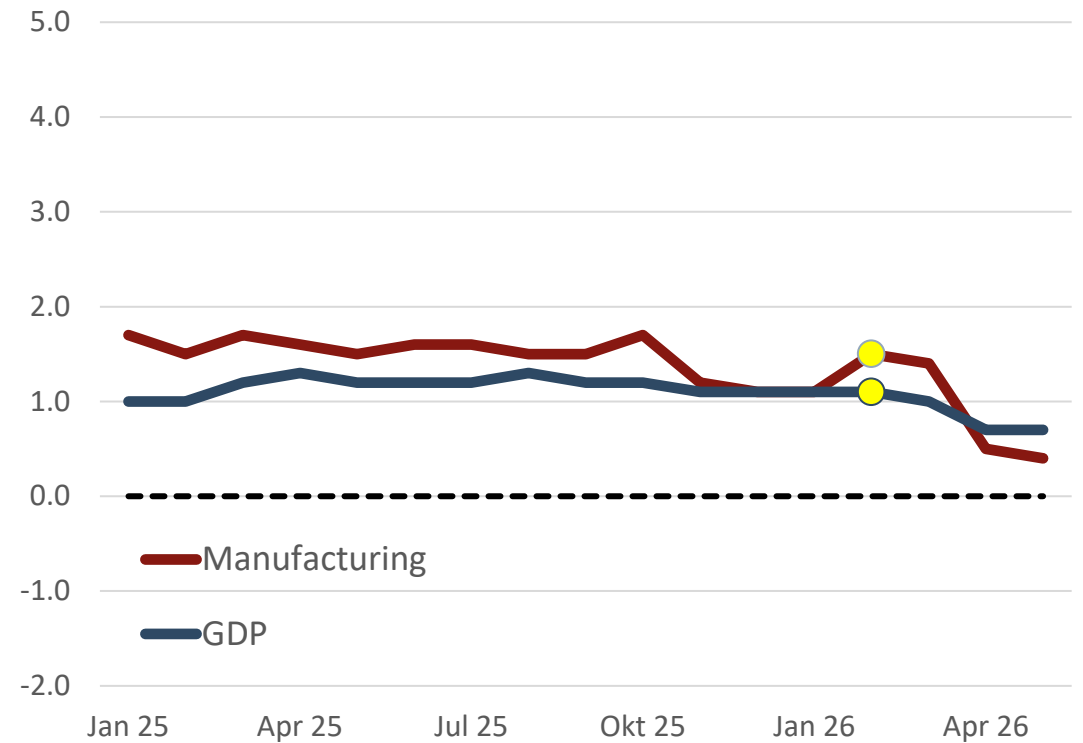
Forecasts for Germany for 2022 and 2026 in comparison

Expected change of real GDP and manufacturing production in percent

Forecasts for 2022



Forecasts for 2026



Source: Consensus Forecasts



Prof. Dr. Michael Grömling

Leiter Forschungsgruppe
Makroökonomie und Konjunktur

0221 4981-776

groemling@iwkoeln.de

www.iwkoeln.de

